

City of Miami

**Homeland Defense/Neighborhood Improvement
Bond Oversight Board**

MEMO

To: Pedro G. Hernandez, City Manager
From: Robert A. Flanders, Chairman
Date: December 18, 2008
Re: Homeland Defense/Neighborhood Improvement Bond Oversight Board (BOB)
Annual Report for the Year 2008 as per Sec. 2-890 of the City Code

Pursuant to City Code Section 2-890 (Annual Report of City Boards and Committees), please accept this memorandum as the annual report of the BOB for the year 2008 in the manner and format prescribed in the City Code as follows:

City Code Question No. 1: Whether the board is serving the purpose for which it was created?

BOB Response: In 2001 the City Commission created Miami's BOB to serve in an advisory capacity to the City by overseeing and monitoring implementation of the proceeds of the \$255 Million in Bond Funds for Miami's Capital Improvement Projects (CIP). With the input and vision from the Mayor and the City Commissioners, assisted with the guidance and education from the City Manager's office and CIP Department, in 2008 the BOB diligently continued to fulfill its original purpose.

City Code Question No. 2: Whether the board is serving current community needs?

BOB Response: City Administration estimates the City of Miami's current unmet capital needs exceed \$1.5 Billion. Bond proceeds and other funds currently available for Miami's CIPs total \$750 Million, roughly 1/2 of the total needed.

Keeping in mind the fairest interests of the entire community and with an eye on Miami's \$1 Billion shortfall for Capital Improvements, the BOB stays on-track by observing the prudent guidelines we established for all CIPs brought before us: A.) Is the project and its budget on the list specifically identified by the City Administration and set forth in informational pamphlets and media releases prior to the November 2001 election, or in the City Ordinance (as amended) creating the BOB, or one of the Commissioner's prioritized personal district projects or been sent to us by the City Commission as an item approved by their resolution and thereby recommendation?

B.) Have all available matching grants been applied for and the funds secured? C.) Has the CIP and its budget been approved by the CIP Department and secured the approval of all of the City's Boards having an interest and by the BOB Audit Committee? D.) Will the CIP be purchased, implemented and/or constructed within the timeframe that the BOB has established? E.) What is the actual cost of operation and maintenance and has a line item been established in the City's Budget for the following year to reflect the cost of operation and maintenance of the new item and/or facility?

City Code Question No. 3: A list of the board's major accomplishments.

BOB Response: During its 7th year, with our project total at \$225,938,689.00, the BOB continued in its role as the Mayor's, Commission's and the taxpayer's watchdog to oversee Miami's CIP program, and in my personal opinion our finest achievement this year has been the many ground-breakings and ribbon cutting ceremonies that initiate and/or complete many projects. More city parks are now flourishing; Little Haiti Park is well along and with Miami-Dade County's participation, an enhanced community oriented Police Training Facility is under construction.

Aware that the Miami Commission's creation of the Homeland Defense/Neighborhood Improvement Bond Oversight Board was a historical first, BOB members feel relevant in their important role in restoring the public's trust in the City's fiscal ability to raise general obligation bond funds and to insure that the funds are spent wisely on the intended improvements, with no fraud, waste or abuse. Earning the taxpayer's trust allows us to continue improvements in the City's infrastructure. In the 3rd quarter of 2007, and with the highest bond rating in decades, we returned to the bond markets for the second tranche of \$50 million, leaving a balance of \$49 million of the \$255 still available.

The Audit Sub-Committee members continue to hold their meetings whenever necessary to review new projects and to monitor the progress of existing projects; reporting their findings at the next BOB meeting so that immediate action can be taken. We streamline the CIP process whenever possible; to execute the increasing project load quickly. Audit Sub-Committee and BOB members continue to solicit the vision and goals of the Commissioners and the Mayor so that we function with them in mind.

We salute the dedication and professionalism of the City Staff members that allow us to operate effectively. We thank them for their significant contributions and the special devotion shown to us by the whole CIP Department.

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Good communication greatly improves public awareness of Miami's successful CIP program, and our BOB Communications Sub-Committee focuses on that. The BOB monthly meetings are televised live from Commission Chambers, and are rebroadcast several times each month, and our BOB user-friendly website within Miami's Official Website is constantly updated so citizens may easily learn when, where and how their CIP funds are spent. We respond to the media's requests for information and we again endorse the creation of a quarterly or bi-annual Miami CIP Citizen's Newsletter. Finally, we believe that with this Board's helpful oversight, that the City of Miami's CIP Department has returned trust to the city and integrity to the process. Therefore we wish to strongly encourage our elected officials to pursue the possibility of offering another Bond Program, voted on by the citizens, that continues the re-building of Miami's infrastructure.

City Code Question No. 4: Whether there is any other board, either public or private, which would better serve the functions of this board?

BOB Response: To our knowledge – no other board – either public or private – has been created and educated to specifically address Miami's Capital Improvement Projects program. The BOB is unique.

City Code Question No. 5: Whether the ordinance creating the board should be amended to better be able to serve the purpose for which it was created?

BOB Response: With many successfully completed projects under its belt, BOB has proven its worth and value to the City and one way in which the Ordinance might better serve the purpose for which it was created would be to amend it to make the BOB responsible for oversight of all of Miami's CIP. We may also consider a slight reduction of the operating quorum.

City Code Question No. 6: Whether the board's membership requirements should be modified?

BOB Response: In our opinion, no condition exists that would warrant any change at this time.

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City Code Question No. 7: The cost, both direct and indirect, of maintaining the Board?

BOB Response: Much of the city staff's time is voluntary, so the annual cost of maintaining the Board for 2008 remains difficult to estimate. As the portion of staff salaries attributed to the Board include employees from the City Manager's office, the CIP Department, Law, Media Relations and any other city department required to assist in the function of the Board, the actual cost would have to include both personnel and other indirect City expenses.

CC: Board Members, Ola O. Aluko, Director CIP, Priscilla A. Thompson, City Clerk, Julie O. Bru, Asst. City Attorney